



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

June 29, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENT NO. 1 TO LEASE NO. L-0271
DEPARTMENT OF PUBLIC SOCIAL SERVICES
340 SHORT STREET, POMONA
(FIRST DISTRICT) (3 VOTES)**

SUBJECT

This recommendation is for an eight-year lease amendment for the continued use of 95 supplemental parking spaces for the Department of Public Social Services Pomona District Office.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the proposed lease amendment is categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, per Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Chair to sign an eight-year lease amendment with the City of Pomona Redevelopment Agency (Landlord) for the Department of Public Social Services to utilize 95 parking spaces at 340 Short Street, Pomona, at an annual first year cost of \$34,658. The program is 91 percent subvented by State and Federal funding and 9 percent net County cost.
3. Authorize the Chief Executive Office, Internal Services Department, and the Department of Public Social Services to implement the project. The lease amendment will be effective upon approval by your Board.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#10 JUNE 29, 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

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"To Enrich Lives Through Effective And Caring Service"

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Department of Public Social Services (DPSS) has leased the supplemental parking lot since June 1993. The current 17-year lease agreement for parking for this facility expired on May 31, 2010, and is currently on month-to-month holdover. DPSS has requested the renewal of the supplemental parking lease for staff and clients at the County-owned Pomona District Office located at 2030-40 Holt Avenue, Pomona, which has an ongoing parking shortage. The district office has 406 staff with 204 onsite parking spaces and 95 offsite supplemental parking spaces are provided in the current lease agreement.

The district office is responsible for administering several direct service programs such as CalWorks, General Relief, Food Stamps, and Medi-Cal, and serves a high concentration of clients. On average, 340 to 350 participants visit the facility on a daily basis. The additional parking is essential to the office as it provides supplemental staff and client parking. The district office is located in an area with limited street parking, across from a retail shopping center with strict parking regulations.

Although the program was approved for 128 supplemental parking spaces, the County is only able to renew the existing 95 offsite parking spaces at this time due to the lack of suitable supplemental parking in the area. The County will continue in its efforts to lease an additional 33 parking spaces to meet the parking need.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we maximize the effectiveness of processes, structure, and operations to support timely delivery of customer-oriented and efficient public services (Goal 1). The proposed lease amendment supports this goal allowing DPSS to continue providing ease of access to DPSS services to families in the service area.

FISCAL IMPACT/FINANCING

The proposed lease amendment will continue to provide DPSS 95 parking spaces for approximately \$34,658 annually.

340 Short Street Pomona	Existing Lease	Proposed Lease Amendment No. 1	Change
Total Parking Spaces	95	95	None
Term	17 years (6/01/1993-5/31/2010)	Eight years, upon Board approval	Additional eight years
Annual Rent	\$34,358	\$34,658	+\$300
Tenant Improvement Allowance	\$180,000 (estimated)	N/A	None
Cancellation	Anytime with 90 days written notice	Anytime with 90 days written notice	None
Option to Renew	One eight-year	None	None
Rental Adjustment	Consumer Price Index (CPI) cap at 10 percent	CPI cap at 10 percent	None
Operating Expense Adjustment	CPI cap at 5 percent	CPI cap at 5 percent	None

This is a modified gross service lease whereby the Landlord is responsible for all operating costs associated with the County's occupancy, excluding water charges which based on fiscal year 2008-09 records currently costs approximately \$910 annually.

Sufficient funding for the proposed lease costs is included in the 2010-11 proposed Rent Expense budget and will be billed back to DPSS. DPSS will have sufficient funding in the 2010-11 proposed operating budget to cover the projected lease costs. Costs associated with the proposed lease amendment will be 91 percent subvented by State and Federal funds and 9 percent net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed eight-year lease amendment will provide 95 parking spaces at an annual cost of \$34,658 and contains the following provisions:

- An eight-year term commencing upon Board approval to extend the existing lease.
- A modified gross basis with the Landlord responsible for all operating and maintenance costs, with the exception of water charges.

- A cancellation provision allowing the County to cancel anytime with 90 days notice, subject to the following conditions: funds are not appropriated for this lease; DPSS vacates the Pomona District Office; or the caseload for the district office is reduced by more than 30 percent.
- Rental rate adjustments tied to CPI, with a maximum increase of 10 percent adjustable every five-year period over the base year's rent.
- Operating expense increases tied to CPI with a maximum increase of 5 percent per year over the base year's operating expense rent.

The Chief Executive Office (CEO) Real Estate staff conducted a survey near the Pomona area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement. Based upon said survey, staff has established that the rental range for similar parking is between \$30.40 and \$42.00 per parking space per month. Thus, the base annual rent of \$30.40 per space per month for the proposed lease amendment represents a rate within the lower market range for parking in the Pomona area. Attachment B shows County-owned or leased facilities in the proximity of the service area and there are no suitable County-owned or leased facilities available for the program.

ENVIRONMENTAL DOCUMENTATION

The CEO has concluded that this project is exempt from California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed amendment will adequately provide the necessary supplemental parking spaces for this County requirement and DPSS concurs with the proposed lease recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return four originals of the executed lease amendment, two certified copies of the Minute Order and the adopted, stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, Fourth Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SK:WLD
CEM:FC:hd

Attachments

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Internal Services Department
Department of Public Social Services

DEPARTMENT OF PUBLIC SOCIAL SERVICES
340 SHORT STREET, POMONA
Asset Management Principles Compliance Form¹

1.	Occupancy		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²			X
	B	Does lease co-locate with other functions to better serve clients? ²			X
	C	Does this lease centralize business support functions? ²			X
	D	Does this lease meet the guideline of 200 sq. ft of space per person? ² This is a parking agreement.			X
2.	Capital				
	A	Is it a substantial net County cost (NCC) program?		X	
	B	Is this a long term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?			X
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Attachment B?	X		
	G	Was build-to-suit or capital project considered? Parking lot lease does not lend itself to this type of requirement.		X	
3.	Portfolio Management				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?		X	
	D	Why was this program not co-located?			X
		1. ____ The program clientele requires a "stand alone" facility.			
		2. <u>X</u> No suitable County occupied properties in project area.			
		3. ____ No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. ____ The Program is being co-located.			
	E	Is lease a full service lease? ² Modified gross (net water expense) as with existing lease Landlord refuses to incur this expense.		X	
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?			X
	¹ As approved by the Board of Supervisors 11/17/98				

²If not, why not?

**DEPARTMENT OF PUBLIC SOCIAL SERVICES
SPACE SEARCH THREE- MILE RADIUS
FROM 340 SHORT STREET, POMONA**

LACO	FACILITY NAME	ADDRESS	SQUARE GROSS	FEET NET	OWNERSHIP	SQUARE FEET AVAILABLE	PARKING SPACES	PARKING SPACES
X561	BONELLI-REGIONAL PARK HEADQUARTERS BUILDING	120 VIA VERDE, SAN DIMAS 91773	2646	1322	OWNED	NONE	84	0
0248	PW-FLOOD MAINTENANCE YARD (FORMER SHERIFF)	118 PONY EXPRESS CT, SAN DIMAS 91773	0	0	OWNED	NONE	52	0
5673	PUBLIC LIBRARY-SAN DIMAS LIBRARY	145 N WALNUT AVE, SAN DIMAS 91773	13628	11421	OWNED	NONE	30	0
0216	SHERIFF-METROLINK UNIT	1615 MCKINLEY AVE, LA VERNE 91750	3050	2898	LEASED	NONE	NO DATA	0
4135	BRACKETT FIELD-ADMINISTRATION BUILDING-1	1615 W MCKINLEY AVE, LA VERNE 91750	9393	3693	OWNED	NONE	180	0
A019	AIR OPERATIONS 24-HR MULTI-MISSION SQUAD	1889 MCKINLEY AVE, LA VERNE 91750-5802	1516	1440	LEASED	NONE	NO DATA	0
A359	DPSS-POMONA GAIN PROGRAM REGION III SUBOFFICE	2255 N GAREY AVE, POMONA 91768	19500	18525	LEASED	NONE	95	0
D602	DPSS-POMONA WS DISTRICT OFFICE	2040 W HOLT AVE, POMONA 91768	54265	39418	OWNED	NONE	197	0
L013	PARKING (DPSS-POMONA WS DISTRICT OFFICE)	340 SHORT ST, POMONA 91768	0	0	LEASED	NONE	102	0
A036	PROBATION-POMONA VALLEY AREA OFFICE	1660 W MISSION BLVD, POMONA 91766	21680	17618	LEASED	NONE	80	0
L688	PARKING (DPSS-POMONA ADULT JOB SKILLS CENTER)	101 E CENTER ST, POMONA 91768	0	0	LEASED	NONE	7	0
A376	DCFS-POMONA WASHINGTON MUTUAL BUILDING	100 W 2ND ST, POMONA 91766	37315	35449	LEASED	NONE	119	56
A563	ALT PUBLIC DEFENDER - POMONA OFFICE	101 W MISSION BLVD, POMONA 91766	2744	2607	LEASED	NONE	7	0
A300	DIST ATTY-POMONA INTERVALLEY OFFICE BUILDING	300 S PARK AVE, POMONA 91766	6938	6591	LEASED	NONE	21	0
L740	PARKING LOT 78 (POMONA COURTS EMPLOYEES LOT)	350 W 7TH ST, POMONA 91766	0	0	OWNED	NONE	278	0
L737	PARKING LOT 78 (POMONA COURTS PUBLIC PARKING)	350 W 7TH ST, POMONA 91766	0	0	PERMIT	NONE	324	0
3819	POMONA COURTHOUSE - NORTH	350 W MISSION BLVD, POMONA 91766	44102	34477	FINANCED	NONE	15	0
5309	POMONA COURTHOUSE - SOUTH	400 CIVIC CENTER PLZ, POMONA 91766	170721	116679	OWNED	NONE	139	0
5307	PH-POMONA PUBLIC HEALTH CENTER	750 S PARK AVE, POMONA 91766	15980	14960	FINANCED	NONE	61	0
A052	DPSS-POMONA IN HOME SUPPORTIVE SRVC	360 E MISSION BLVD, POMONA 91766	17616	16735	LEASED	NONE	75	0

**AMENDMENT NO. 1 TO LEASE NO. L-0271
AND EXERCISE OF OPTION
DEPARTMENT OF PUBLIC SOCIAL SERVICES
340 SHORT STREET, POMONA**

THIS AMENDMENT NO. 1 TO LEASE NO. L-0271 AND EXERCISE OF OPTION ("Amendment" or "Amendment No. 1") is made, entered and dated as of this 29TH day of JUNE, 2010 by and between THE CITY OF POMONA REDEVELOPMENT AGENCY ("Lessor"), and the COUNTY OF LOS ANGELES, a body corporate and politic ("Lessee").

RECITALS:

WHEREAS, on March 31, 1993, Lease No. L-0271 (the "Lease") was entered into by and between THE CITY OF POMONA REDEVELOPMENT AGENCY, as Lessor and the COUNTY OF LOS ANGELES, as Lessee to lease certain premises located on the east side of Short Street south of Holt Avenue, Pomona, consisting of approximately 44,000 square feet of vacant land which was subsequently improved with 95 off-street parking spaces (collectively, the "Premises"), for a term of seventeen (17) years (the "Initial Term") from June 1, 1993 to May 31, 2010;

WHEREAS, Lease and Agreement No. L-0271 provides the County one option to extend the Lease term for an additional eight (8) years and Lessee desires to exercise such option;

WHEREAS, Lessor and Lessee desire to amend the Lease for the purpose of modifying certain provisions of the Lease as set forth herein;

WHEREAS, Lessor and Lessee desire to amend Paragraph 1, DESCRIPTION OF PREMISES, to reflect the proper number of parking spaces for the improved parking lot and update Exhibit "A" attachment;

WHEREAS, Lessor and Lessee desire to amend Paragraph 15, NOTICES, to reflect the proper notice information for the Lessee;

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements hereinafter contained, and are intended to be legally bound, Lessor and Lessee hereby covenant and agree to amend Lease No. L-0271 as follows:

77316

1. **Exercise of Option.** The Lessee by executing this Amendment, is exercising its option to renew the term of the Lease for an additional eight (8) years commencing June 1, 2010 and ending May 31, 2018.

2. Paragraph 1, DESCRIPTION OF PREMISES, is hereby deleted in its entirety, and replaced with the following:

The Lessor, for and in consideration of the performance of the covenants and agreements hereinafter contained to be kept and performed by the Lessee, upon the following terms and conditions, hereby leases to the Lessee, and the Lessee hereby hires and takes of and from the Lessor, those certain premises located on the east side of Short Street south of Holt Avenue, Pomona, in the County of Los Angeles, State of California, consisting of approximately 44,000 square feet of land improved with a parking lot containing 95 off-street parking spaces, as shown on Exhibit "A-1" attached hereto and incorporated herein by this reference.

3. Paragraph 15, NOTICES, is hereby deleted is hereby deleted in its entirety, and replaced with the following:

Notices desired or required to be given by this Lease or by any law now or hereinafter in effect shall be given by enclosing the same in a sealed envelope (i) with postage prepaid, certified or registered mail, return receipt requested, with the United States Postal Service, or (ii) delivered by an overnight courier service that confirms delivery. Either party may by written notice similarly given designate a different address for notice purposes.

Any such notice and the envelope containing the same shall be addressed to the Lessor as follows:

City of Pomona Redevelopment Agency
City Hall
505 South Garey Avenue
P.O. Box 660
Pomona, California 91769

The notices and envelopes containing the same shall be addressed to the Lessee as follows:

Board of Supervisors
Kenneth Hahn Hall of Administration, Room 383
500 West Temple Street
Los Angeles, California 90012

With a copy to:

Chief Executive Office, Real Estate Division
Attention: Director of Real Estate
222 South Hill Street, 3rd Floor
Los Angeles, California 90012

4. EXHIBIT "A" to the Lease is hereby deleted in its entirety and replaced with new Exhibit "A-1" to illustrate the revised parking configuration with 95 parking stalls.

5. Original Lease in Full Force. Notwithstanding anything to the contrary herein, all of the terms and conditions contained in the Lease, which are not modified by this Amendment shall remain in full force and effect. In the event of a conflict between the Lease and this Amendment, the terms of this Amendment shall control.

(Signatures on Next Page)

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77316

EXHIBIT A-1

